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1 medicaid; and

2 WHEREAS, in New Mexico the medicaid enrollment and
3 expenditures have grown steadily since 1993; and

4 WHEREAS, in New Mexico the human services department
5 estimates it will take about five hundred seventy million
6 dollars (\$570,000,000) in state money to keep medicaid intact
7 for fiscal year 2006, which includes three million dollars
8 (\$3,000,000) for a new initiative to insure more working New
9 Mexicans; and

10 WHEREAS, enrollment in medicaid in New Mexico grew by
11 eight percent in fiscal year 2004, and state officials expect a
12 six percent increase in 2005 and a four percent increase in
13 2006; and

14 WHEREAS, state officials have worked tirelessly throughout
15 the past year implementing cost-saving initiatives in the
16 medicaid program; and

17 WHEREAS, continued cost containment efforts may
18 necessitate a loss of medicaid services and eligibility to our
19 most vulnerable citizens in the state, resulting in an increase
20 in our already substantial uninsured population; and

21 WHEREAS, medicaid is the most cost-effective way for New
22 Mexico to subsidize health insurance, with the federal
23 government match of approximately seventy-two percent; and

24 WHEREAS, the favorable match that New Mexico has received
25 in the past is declining while medicaid enrollment is

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1 increasing; and

2 WHEREAS, New Mexico is adversely affected by one of the
3 lowest disproportionate-share hospital funding formulas in the
4 United States; and

5 WHEREAS, a block grant or cap on medicaid would lock the
6 state into a financing disadvantage compared to other states;
7 and

8 WHEREAS, since 1965, the federal government has helped
9 states pay for the basic health care and long-term services
10 that low-income and disabled Americans need; and

11 WHEREAS, medicaid currently accounts for fifty percent of
12 all long-term care dollars and finances the care for seventy
13 percent of people in nursing homes; and

14 WHEREAS, medicaid is the safety net for a large portion of
15 the population for which private or public health care systems
16 are unable to provide; and

17 WHEREAS, medicaid has become the workhorse of the United
18 States health care system; and

19 WHEREAS, when the nation has identified a new problem,
20 from a population that needs health coverage to a provider or
21 health system in need of financial support, medicaid has gotten
22 the call; and

23 WHEREAS, arbitrary limits on federal medicaid spending
24 fail to automatically adjust for economic recessions,
25 demographic changes, health care inflation or disasters,

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1 including terrorism; and

2 WHEREAS, no formula can account for the multitude of
3 factors that affect medicaid costs at different times in
4 different parts of the country; and

5 WHEREAS, forty percent of all medicaid expenditures are
6 spent on medicare beneficiaries, despite the fact that they
7 comprise a small percentage of the medicaid caseload and are
8 already fully insured by the medicare program; and

9 WHEREAS, in fiscal year 2005, the fifty states and the
10 District of Columbia will spend an estimated combined total of
11 more than one hundred thirty-two billion dollars
12 (\$132,000,000,000) on medicaid, and the federal government will
13 contribute nearly one hundred eighty-four billion dollars
14 (\$184,000,000,000); and

15 WHEREAS, the investment of these medicaid dollars
16 stimulates business activity and creates new jobs; and

17 WHEREAS, medicaid spending has an economic multiplier
18 effect that will generate an almost three-fold return in state
19 economic benefits or three hundred sixty-seven billion five
20 hundred million dollars (\$367,500,000,000) in increased state-
21 level output of goods and services from increased business
22 activity; and

23 WHEREAS, a substantial portion of each state's health care
24 industry relies on medicaid spending; and

25 WHEREAS, hospitals, nursing homes and community health

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1 centers all depend on medicaid funds flowing into them to keep
2 their doors open; and

3 WHEREAS, any cut in medicaid funding will have a
4 considerable effect on the economic viability of each state's
5 health care system; and

6 WHEREAS, a recognized need to balance the federal budget
7 should not be met at the expense of the poorest people in the
8 country or at the expense of the poorest states in the country;
9 and

10 WHEREAS, the growing number of uninsured and an increase
11 in the aging population require efforts to stabilize and
12 improve health care coverage rather than undermine it;

13 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
14 STATE OF NEW MEXICO that the New Mexico congressional
15 delegation, as representatives of all New Mexicans, be
16 requested to join in opposition to any medicaid reform proposal
17 that seeks to impose a cap on federal medicaid spending in any
18 form; and

19 BE IT FURTHER RESOLVED that copies of this memorial be
20 transmitted to the members of the New Mexico congressional
21 delegation.